

Message Text

LIMITED OFFICIAL USE

PAGE 01 BONN 06762 111208 Z

53

ACTION XMB-07

INFO OCT-01 EUR-25 ADP-00 EB-11 AGR-20 COME-00 CIAE-00

INR-10 NSAE-00 RSC-01 TRSE-00 OMB-01 SS-15 NSC-10

STR-08 CIEP-02 RSR-01 /112 W
----- 034821

P 111154 Z MAY 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 4980

AMEMBASSY WARSAW PRIORITY

USMISSION BERLIN PRIORITY

INFO AMEMBASSY VIENNA PRIORITY

LIMITED OFFICIAL USE BONN 06762

DEPARTMENT PASS TREASURY

E. O. 11652: N/A

TAGS: ETRD, EFIN, ESTC, PL, WB, GW

SUBJECT: BIDS OF EPSTEIN COMPANIES AND BERLIN CONSULT
FOR CONSTRUCTION OF POLISH MEAT PLANTS

REF: (A) WARSAW 2112; (B) BERLIN 793; (C) STATE 85235

1. SUMMARY: THE KREDITANSTALT FUER WIEDERAUFBAU (KFW),
USING EUROPEAN RECOVERY PROGRAM (ERP) FUNDS, MAY WELL BE
THE SOURCE OF THE FAVORABLE FINANCING TERMS ALLEGEDLY
BEING OFFERED BY BERLIN- CONSULT GMBH. END SUMMARY.

2. NORMALLY, THE KFW CANNOT FINANCE FRG EXPORTS TO
EASTERN- BLOC COUNTRIES.

3. HOWEVER, THE KFW IS EMPOWERED TO GRANT LOANS, USING
A SPECIAL REVOLVING FUND SET UP BY THE ERP, TO BERLIN
BANKS FOR THE PURPOSE OF FINANCING THE DELIVERY OF WEST
BERLIN PRODUCTS TO DOMESTIC AND FOREIGN BUYERS. KFW TELLS
US THAT TBSE FUNDS CAN BE DISBURSED IF A SIGNIFICANT
PORTION OF AN EXPORT REPRESENTS GOODS PRODUCED IN WEST
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BONN 06762 111208 Z

BERLIN, AND IF A SALE OR PROJECT IS CONSIDERED TO BE IN
WEST BERLIN' S INTEREST. IN 1971, KFW GRANTED DM 116
MILLION OF SUCH LOANS TO BERLIN BANKS.

4. KFW BUYER CREDITS CARRY A FIXED INTEREST RATE OF 6.5
PERCENT, ARE AVAILABLE FOR EXTENDED MATURITY PERIODS, AND
CAN BE USED TO FINANCE A SUBSTANTIAL PORTION OF AN FRG
EXPORT.

5. ABOVE CONDITIONS SUGGEST (KFW HOLDS DATA ON LOAN
DISBURSEMENTS AND COMMITMENTS TO INDIVIDUAL BUSINESSES
VERY CLOSELY) THAT THESE KFW FUNDS COULD BE SOURCES OF
ALLEGED BERLIN CONSULT FINANCING OFFER: THE INTEREST
RATE IS THE SAME, THE RATE IS FIXED, LOANS ARE AVAILABLE
FOR EXTENDED MATURITIES, AND THE LOANS ARE DISBURSED AND
ADMINISTERED BY BERLIN BANKS.

6. IT ALSO SEEMS UNLIKELY THAT A PRIVATE FIRM WOULD
BE WILLING TO ASSUME THE CONSIDERABLE INTEREST RATE RISKS
AS PER PARA 5, REFTEL A, WHICH WOULD BE INVOLVED IN
RELYING ON EUROMARK CREDITS OVER AN EXTENDED PERIOD OF
TIME.
HILLENBRAND

LIMITED OFFICIAL USE
NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 11 MAY 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BONN06762
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730540/aaaaiqty.tel
Line Count: 86
Locator: TEXT ON-LINE
Office: ACTION XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 WARSAW 2112, 73 BERLIN 793, 73 STATE 85235
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 08 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08-Aug-2001 by shawdg>; APPROVED <10-Sep-2001 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> mcm 980122
Subject: BIDS OF EPSTEIN COMPANIES AND BERLIN CONSULT FOR CONSTRUCTION OF POLISH MEAT PLANTS
TAGS: EAGR, EFIN, ETRD, GE, PL, WB, BERLIN CONSULT, EPSTEIN COMPANIES
To: XMB
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005